

Service Date: July 26, 1989

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of Southern Montana Telephone Co.)	
for rate increases and other)	DOCKET NO. 89.7.25
tariff changes.)	ORDER NO. 5419

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FINAL ORDER

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FINDINGS

On April 26, 1989 Southern Montana Telephone Company (SMT) filed proposed revised tariff sheets with the Montana Public Service Commission (Commission or PSC) requesting approval of the following:

- a. A late payment charge of 1 1/2 percent per month for past due accounts.
- b. An increase in the coin telephone charge from 10¢ to 25¢ per local call.
- c. An increase in charges for establishment of service, transfer of service and other related services. The Service Order charge would increase from \$12 to \$16, the Central Office charge from \$5 to \$9; and a new "service charge" of \$65 would be imposed.

- d. Changes in Construction charge procedures, and
- e. Correction of a typing error.

Some of the proposed changes would involve an increase in certain rates and charges assessed by SMT, and presumably, an increase in its annual revenues. There are two alternative procedures for a small telephone company to lawfully increase rates or charges to its customers. One involves the filing of a formal rate application with the Commission (and associated minimum filing requirements) pursuant to § 69-3-302 et seq., MCA. The other involves compliance with the Small Telephone Company Act (§ 69-3-901 et seq., MCA). SMT has failed to comply with either of these two procedures to obtain an increase in its rates or charges.

With respect to the first procedure, SMT has failed to satisfy the minimum filing requirements set forth in the Administrative Rules of Montana (See ARM 38.5.2801 et seq.). This procedure would necessarily require public notice, and an opportunity for a public hearing at which the Montana Consumer Counsel and other interested parties may appear and present testimony.

The second procedure, pursuant to the Small Telephone Company Act, requires notice of a proposed rate increase mailed to each affected subscriber, the Commission, and the Montana Consumer Counsel. The notice is required to contain certain information pursuant to § 69-3-903, MCA, and must be mailed at least 60 days before the proposed effective date of the rate increase. If a petition is received by the PSC from at least 10 percent of the affected subscribers in any rate category or from the Montana Consumer Counsel, then the PSC shall have the authority to review and rule upon the rate application. §§ 69-3-904 and 69-3-906, MCA.

However, if such a petition is not received by the 60th day following notice, the proposed rate increase becomes effective automatically by operation of law. § 69-3-907, MCA. That is, the PSC would lack the legal authority to set a hearing or deny the application if the procedures of the Act are followed and no petition is received in a timely manner. However, SMT has also failed to comply with the procedures required by the Small Telephone Company Act.

CONCLUSIONS OF LAW

1. Southern Montana Telephone Company is a corporation providing regulated telecommunications services within the state of Montana, and as such, is a public utility as defined in § 69-3-101, MCA.

2. The Montana Public Service Commission is vested with full power of supervision, regulation and control of public utilities. § 69-3-102, MCA.

3. SMT has failed to comply with the minimum filing requirements for a telecommunications utility seeking a rate increase from the Commission. ARM 38.5.2801 et seq.

4. SMT has failed to comply with the filing procedures for a small telephone company seeking a rate increase without Commission review, pursuant to § 69-3-901 et seq.

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commission hereby DENIES the application for rate increases and other tariff revisions, filed with the Commission on April 26, 1989.

Done and Dated this 24th day of July, 1989 by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Vice Chairman

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.